

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF ADMINISTRATION

INVESTMENT COMMITTEE

August 18, 2008

Chief Investment Officer's

Consolidated Investment Activity Report

(May 2008 Reporting Period)

Market Environment – May 31, 2008

General Market Commentary

Following a strong April, equity markets across the globe continued to rally during the month of May. Major global central banks, including the US Federal Reserve, held rates steady during the month. Inflation concerns persisted as rising food and energy prices continued. Crude oil prices again reached a record high, closing just over \$133 during May, before ending the month at \$127.35 per barrel. The US dollar strengthened slightly against the Pound, Euro, and Yen in the last month.

Domestic and International Equities

May was a positive month for most equity markets. Within the US equity markets, the S&P 500 returned 1.30%. Small-cap stocks, as measured by the Russell 2000 Index, were up 4.59% in May. Growth stocks outperformed their value counterparts for the month, returning 3.67% versus value's return of -0.16% (as measured by Russell 1000 Growth and Value). International equities rose in May, with the MSCI EAFE up 1.16% in dollar terms (up 1.44% in local currency). Emerging markets returned 1.88% (as measured by the MSCI EM Index).

Domestic and International Fixed Income

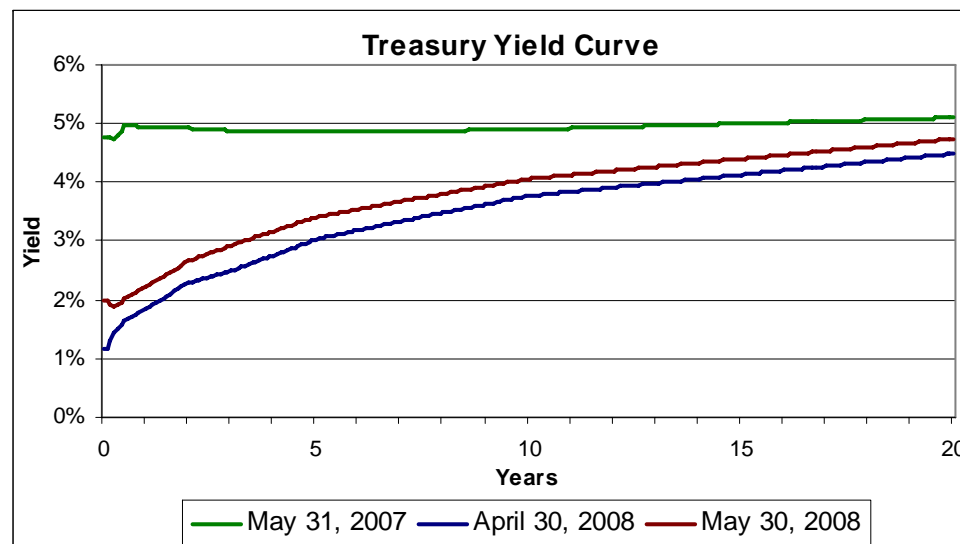
The Lehman Brothers Aggregate Bond Index returned -0.73% for May, outperforming US Treasuries' decline of -0.95% (as measured by LB Treasury Intermediate Term Index). US TIPS were up 0.33% (LB US TIPS) during May. The high yield bond market returned 0.43% during the month, as measured by the Merrill Lynch High Yield Master II Index. International fixed income markets returned -1.53%, as measured by the Citigroup World Government Bond Index ex US (unhedged).

Real Estate

Real estate (as measured by the MSCI US REIT Index) was slightly positive for the month, up 0.12% in May. The NCREIF Index of Real Estate Properties returned a positive 1.60% for the quarter ended March 2008.

Private Equity and Absolute Return Strategies

The Venture Economics All Private Equity Index returned 22.30% for the 12 months ended December 2007 and 14.68% for the 10 years ended December 2007. Absolute Return Strategies (CSFB/Tremont Hedge Fund Index) returned 2.00% in May and 4.91% for the 12 months ended May 2008.



MARKET INDICATORS	5/31/2007	Direction	4/30/2008	Direction	5/30/2008
1m LIBOR (fixed in \$)	5.32%	▼	2.80%	▼	2.46%
Federal Funds	5.25%	▼	2.00%	—	2.00%
10Y Treasury Note Yield	4.89%	▼	3.76%	▲	4.05%
30Y Treasury Bond Yield	5.01%	▼	4.50%	▲	4.71%
DJ-Wilshire 5000 Comp	15,429.51	▼	13,930.84	▲	14,193.69
S&P 500	1,530.62	▼	1,385.59	▲	1,400.38
NASDAQ Composite	2,604.52	▼	2,412.80	▲	2,522.66
FTSE 100 Index	6,621.40	▼	6,087.30	▼	6,053.50
Nikkei 225 Index	17,875.75	▼	13,849.99	▲	14,338.54
Yen/\$ (Dollar Strength)	121.760	▼	104.530	▲	105.460
Euro/\$ (Dollar Strength)	0.743	▼	0.642	▲	0.643
GBP/\$ (Dollar Strength)	0.505	▼	0.504	▲	0.505
Crude Oil per Barrel	\$ 64.01	▲	\$ 113.46	▲	\$ 127.35
Gold (\$/oz Daily Spot)	\$ 659.10	▲	\$ 871.00	▲	\$ 885.75
GS Commodities Index	\$ 470.65	▲	\$ 721.07	▲	\$ 786.58

CalPERS Asset Allocation – May 31, 2008

Summary

- Total Fund Market Value was \$248.1 Billion
- Total Fund Book Value was \$205.6 Billion
- All Asset Classes are within their permissible ranges relative to target ranges and strategic target levels.

Book to Market Value Comparison

	Book Value (\$ Billion)	Market Value (\$ Billion)	Effective Market Value (\$ Billion)	Difference (Market – Book) (\$ Billion)
Domestic Equity ¹	\$49.0	\$77.3	\$79.0	\$28.3
International Equity	\$47.7	\$55.8	\$57.9	\$8.0
Global Equity	\$96.7	\$133.1	\$136.9	\$36.4
Domestic Fixed Income	\$51.6	\$55.2	\$55.2	\$3.6
International Fixed Income	\$5.1	\$5.4	\$5.4	\$0.3
Global Fixed Income	\$56.7	\$60.6	\$60.6	\$3.9
AIM	\$24.1	\$24.6	\$24.6	\$0.5
Real Estate	\$20.8	\$22.1	\$22.1	\$1.3
Inflation Linked	\$3.7	\$4.0	\$4.0	\$0.3
Cash Equivalents	\$3.5	\$3.6	\$-0.3	\$0.0
Total Fund	\$205.6	\$248.1	\$248.1	\$42.4

¹ Included is MDP Investment - LM Capital Investment: Total Book Value=\$204.8 million, Total Market Value=\$205.8 million.

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values. When summing net amounts on this report, there may be breakage.

Top Company Exposures

- As a very significant institutional investor, CalPERS has large exposures to the securities of many corporations either through internal or externally managed portfolios. Consistent with board requested information and in support of the Board of Administration's oversight role, a schedule of the top 20 company exposures is prepared for informational purposes and can be found on Page 4.

CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 5/31/2008

Company Name	Equity Exposure			Total Equity Market Value	Fixed Income Exposure			Total FI Market Value	Real Estate Exposure (1)	TOTAL Market Value	% of Total Fund(3)
	Internally Managed Active	Externally Managed Passive	Externally Managed Active		Internal	External	Sec. Lending(2)				
GENERAL ELECTRIC	166,658,488	888,864,154	135,472,957	1,190,995,599	587,255,657	28,529,966	692,600,360	1,308,385,983		2,499,381,582	0.73%
EXXON MOBIL CORP	248,849,134	1,423,115,708	229,555,195	1,901,520,037				0		1,901,520,037	0.77%
JPMORGAN CHASE & CO	78,703,717	416,360,700	99,797,109	594,861,526	503,077,513	46,194,467	99,057,160	648,329,140	42,279,000	1,285,469,666	0.48%
CITIGROUP INC	55,021,741	332,246,420	75,275,901	462,544,062	526,476,112	16,493,919	268,396,040	811,366,071		1,273,910,133	0.41%
BERKSHIRE HATHAWAY	212,416,030	612,926,800	2,019,750	827,362,580	352,547,404	2,418,641		354,966,045		1,182,328,625	0.48%
BANK OF AMERICA CORP	65,870,466	448,214,389	81,750,619	595,835,474	463,379,223	53,853,880		517,233,103		1,113,068,577	0.45%
WAL MART STORES INC	163,624,382	686,927,006	97,938,841	948,490,229	157,972,026	5,085,306		163,057,332		1,111,547,561	0.45%
MICROSOFT CORP	117,691,605	784,902,960	125,629,757	1,028,224,322				0		1,028,224,322	0.41%
AT&T INC	134,070,983	710,906,280	158,092,219	1,003,069,482				0		1,003,069,482	0.40%
CHEVRONTXACO CORP	121,194,614	621,720,075	139,244,178	882,158,867				0		882,158,867	0.36%
ROYAL DUTCH SHELL		587,111,911	248,650,191	835,762,102				0		835,762,102	0.34%
CONOCOPHILLIPS	113,981,678	423,308,197	76,980,387	614,270,262	219,571,396			219,571,396		833,841,658	0.34%
AMERICAN INTL GROUP INC	46,896,156	272,026,800	38,778,480	357,701,436	367,825,004	3,458,096	99,999,000	471,282,100		828,983,536	0.29%
PROCTER + GAMBLE CO	110,265,587	609,747,180	82,692,751	802,705,518				0		802,705,518	0.32%
INTERNATIONAL BUSINESS MACHINES	96,979,699	536,137,889	112,620,408	745,737,996	7,682,491	7,633,709		15,316,200		761,054,196	0.31%
GOOGLE INC	122,525,928	548,894,600	76,231,326	747,651,854				0		747,651,854	0.30%
VERIZON COMMUNICATIONS INC.	36,029,309	321,012,915	62,413,843	419,456,067	312,024,040	2,764,920		314,788,960		734,245,027	0.30%
HSBC HOLDINGS PLC		442,168,422	131,384,601	573,553,023	131,580,167	9,760,150		141,340,317		714,893,340	0.29%
JOHNSON + JOHNSON	85,003,468	564,980,796	64,521,496	714,505,760				0		714,505,760	0.29%
ENI	195,288,121	249,876,971	248,998,686	694,163,778				0		694,163,778	0.28%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues.

(2) Does not include Repos

(3) Excludes securities lending exposure

CalPERS

Asset Allocation as of May 31, 2008

Total Fund Market Value: **\$248,053,513,671**

	Global Equity	Domestic Equity	International Equity	Global Fixed	Domestic Fixed	International Fixed	AIM	Real Estate	Inflation Linked ⁵	Cash ¹	Total Fund
Strategic Target Range %	51-61%			14-24%			7-13%	7-13%	0-5%		
Strategic Target %	56.0%	28.0%	28.0%	19.0%	17.0%	2.0%	10.0%	10.0%	5.0%	0.0%	N/A
Cash Market Investment %	53.6%	31.2%	22.5%	24.4%	22.3%	2.2%	9.9%	8.9%	1.6%	1.4%	N/A
Tactical Overlay % ⁴	1.6%	0.7%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(1.6%)	N/A
Effective Investment %	55.2%	31.9%	23.3%	24.4%	22.3%	2.2%	9.9%	8.9%	1.6%	(0.1%)	N/A
Variance % (Strategic vs. Effective)	(0.8%)	3.9%	(4.7%)	5.4%	5.3%	0.2%	(0.1%)	(1.1%)	(3.4%)	(0.1%)	N/A
Strategic Target \$ ^{2,3}	\$138.9	\$69.5	\$69.5	\$47.1	\$42.2	\$5.0	\$24.8	\$24.8	\$12.4	\$0.0	\$248.1
Cash Market Investment \$ ²	\$133.1	\$77.3	\$55.8	\$60.6	\$55.2	\$5.4	\$24.6	\$22.1	\$4.0	\$3.6	\$248.1
Tactical Overlay \$ ^{2,4}	\$3.9	\$1.7	\$2.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$3.9)	N/A
Effective Investment \$ ^{2,3}	\$136.9	\$79.0	\$57.9	\$60.6	\$55.2	\$5.4	\$24.6	\$22.1	\$4.0	(\$0.3)	\$248.1
Variance \$ (Strategic vs. Effective) ^{2,3}	(\$2.0)	\$9.6	(\$11.5)	\$13.5	\$13.0	\$0.5	(\$0.2)	(\$2.7)	(\$8.4)	(\$0.3)	N/A
% Passive	64.6%	67.7%	60.4%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	34.7%
% Active	35.4%	32.3%	39.6%	100.0%	100.0%	100.0%	100.0%	95.0%	100.0%	100.0%	65.3%
% Internal	71.5%	77.0%	63.7%	91.0%	100.0%	0.0%	0.0%	5.0%	57.7%	100.0%	63.4%
% External	28.5%	23.0%	36.3%	9.0%	0.0%	100.0%	100.0%	95.0%	42.3%	0.0%	36.6%

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.

* When summing amounts on this report, there may be breakage.

* MDP Venture accounts included in MDP's primary asset class. MDP Fixed and CalPERS Hedge Fund roll to External Domestic Equity.

¹ Cash includes SMIF at STO.

² (\$ Billion)

³ Based upon Trade Date Accounting as recommended by CFA Institute GIPS Standards.

⁴ Approximately \$3.9 Billion notional in Equity Futures were purchased to equitize cash.

⁵ Commodities plus collateral: \$1,351,621,219

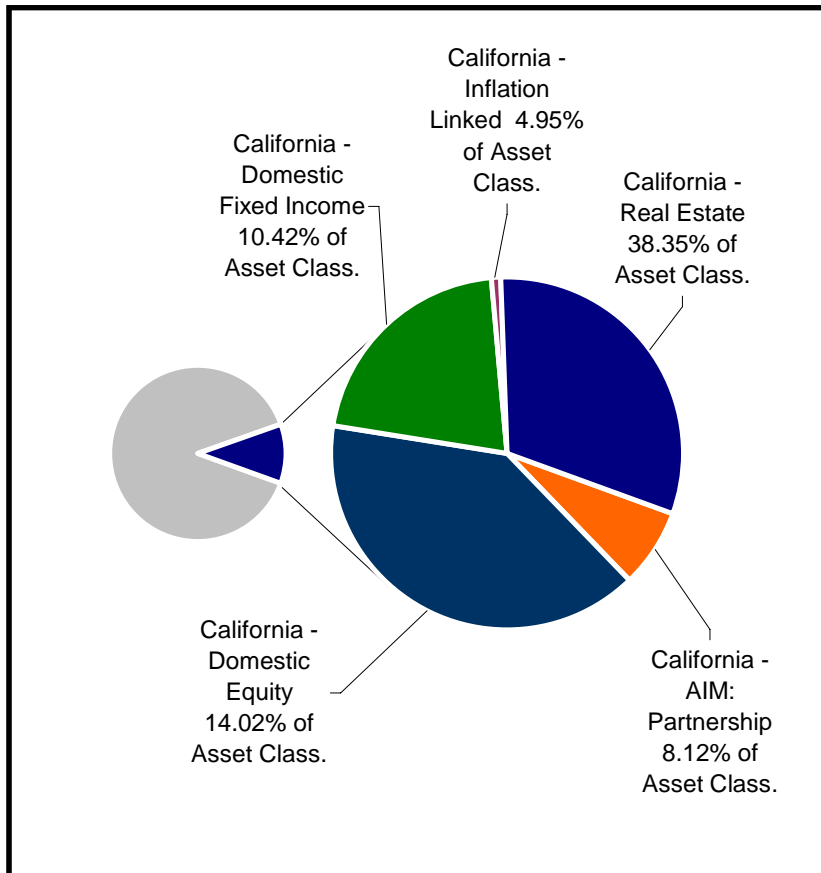
Private Market Commitment as of May 31, 2008							
AIM				Real Estate			
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range
Fair Market Value (FMV)	\$24.84	9.93%	7-13%	Fair Market Value (FMV)	\$22.10	8.91%	7-13%
Unfunded Commitment	\$26.50	10.68%		Unfunded Commitment (as of 4/30/08)	\$14.98	6.04%	
Fair Market Value plus Unfunded Commitment	\$51.14	20.62%		Fair Market Value plus Unfunded Commitment	\$37.08	14.95%	
Infrastructure				Forestland			
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range
Fair Market Value (FMV)	\$1.10	0.04%	0-0.6%	Fair Market Value (FMV)	\$1.61	0.65%	0-0.5%
Unfunded Commitment (as of 4/30/08)	\$0.30	0.12%		Unfunded Commitment (as of 4/30/08)	\$1.18	0.07%	
Fair Market Value plus Unfunded Commitment	\$1.40	0.16%		Fair Market Value plus Unfunded Commitment	\$2.79	0.72%	

CalPERS Investments in the State of California – May 31, 2008

The State of California offers CalPERS a number of attractive investment opportunities. The following charts summarize the investments by asset class as of the date of this report. A detailed report on California investments is available in the supplemental reporting document.

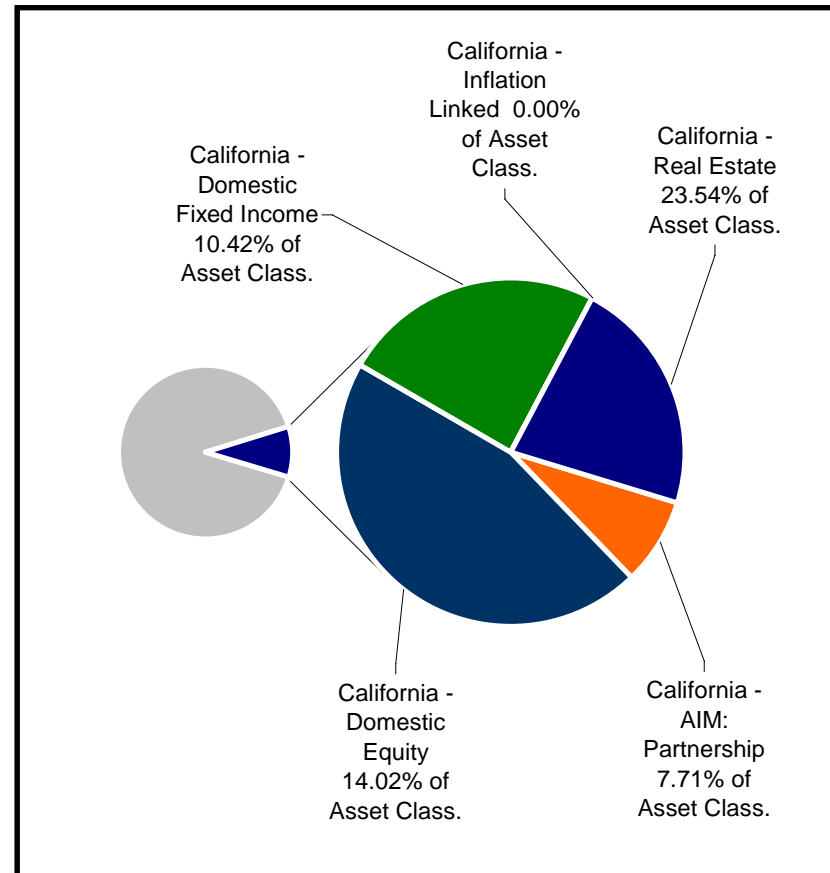
California Investments plus Additional Commitments

Current California Commitments at 5/31/2008 Total Fund %: 10.97%



California Investments

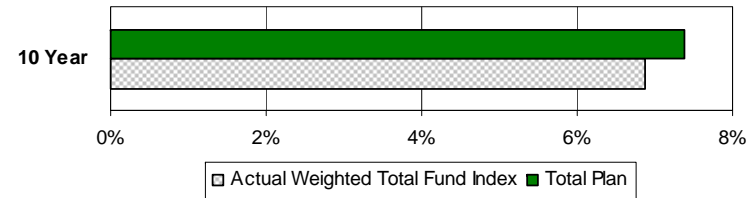
Current California Investments at 5/31/2008 Total Fund %: 9.53%



Performance Summary – May 31, 2008

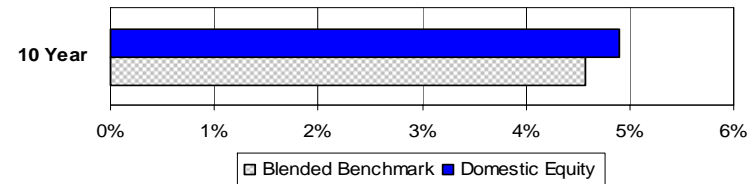
Total Plan:

Net Total Fund returns have outperformed the Actual Weighted Total Fund Index during the fiscal year-to-date, one-, three-, five-, and ten-year time periods. It has underperformed during the one month and quarter and one-year periods. Ten-year net returns were 7.38% versus 6.87% for the actual weighted index.



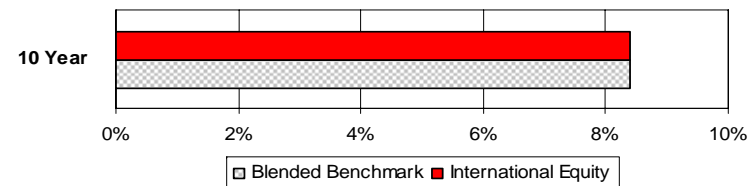
Domestic Equity:

Net Domestic Equity returns have underperformed the Blended Index in all time periods except the one month and ten-year period. Ten-year net returns were 4.90% versus 4.57% for the blended benchmark.



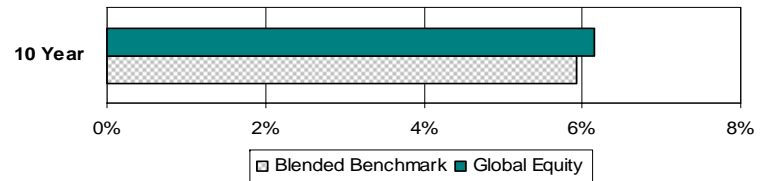
International Equity:

Net International Equity has met or underperformed its benchmark in all time periods except the one month and ten-year period. Ten-year net returns were 8.41% versus the 8.39% blended benchmark return.



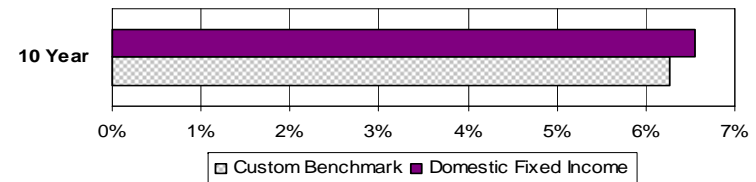
Global Equity:

Net Total Global Equity underperformed its benchmark in all time periods except the one month and ten-year period. Ten-year net returns were 6.16% versus the 5.92% blended benchmark return.



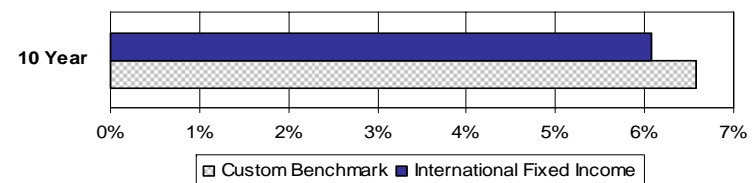
Domestic Fixed Income:

Net Domestic Fixed Income returns have exceeded the benchmark in the one month, three-, five-, and ten-year periods, but have underperformed in the quarter, fiscal year-to-date and one-year periods. Ten-year net returns were 6.55% versus 6.26% for the benchmark.



International Fixed Income:

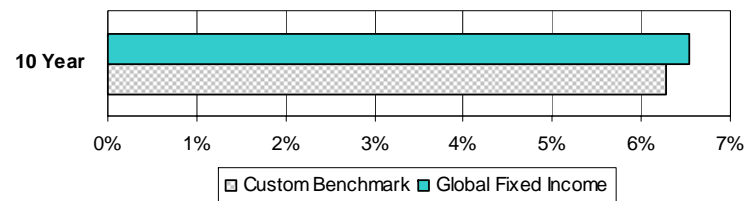
Net International Fixed Income returns have outperformed the benchmark in the all time periods except the three- and ten-year time periods. Ten-year net returns were 6.07% versus 6.57% for the benchmark.



Performance Summary – May 31, 2008

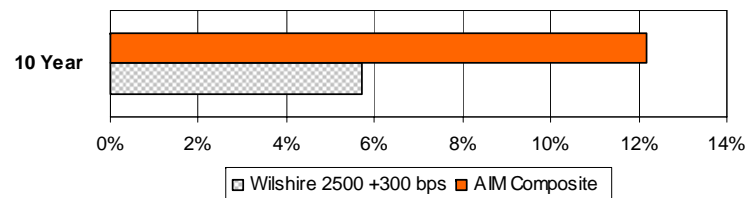
Global Fixed Income:

Net Global Fixed Income returns have exceeded the benchmark in the one month, three-, five-, and ten-year periods, but have underperformed in the quarter, fiscal year-to-date and one-year periods. Ten-year net returns were 6.53% versus 6.27% for the benchmark.



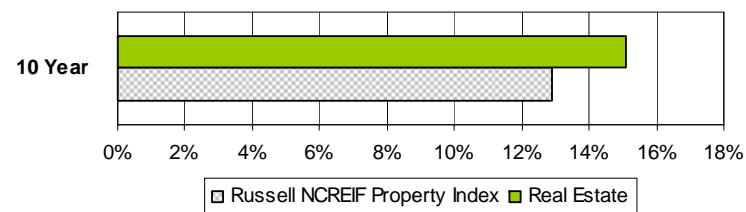
AIM Composite:

Net returns for the AIM Composite portfolio have exceeded the custom blended benchmark in all time periods except for the one month and quarter period. Ten-year net returns for the AIM Composite were 12.18%, exceeding the ten-year custom blended benchmark return of 5.71%.



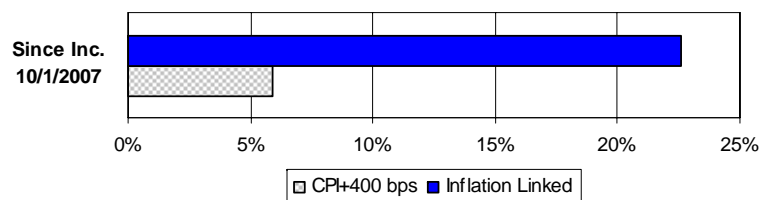
Real Estate:

Net returns for the Total Real Estate Portfolio have underperformed during the one month, quarter, fiscal year-to-date, and one year time periods. It has outperformed the index in the three-, five-, and ten-year periods. Ten-year net returns were 15.09% versus 12.91% for the benchmark.



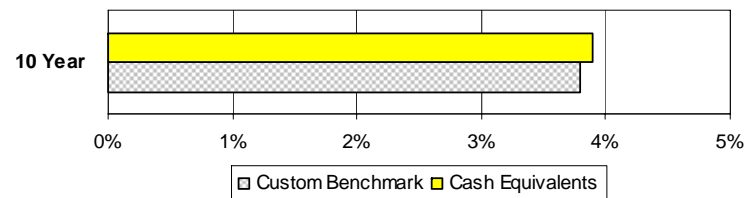
Inflation Linked:

Net returns for the Inflation Linked portfolio have exceeded the benchmark in the one month, quarter, and since inception time periods. Since inception net returns were 22.59% versus 5.88% for the benchmark.



Cash Equivalents:

Net returns for the Cash Equivalents portfolio have underperformed the benchmark in the fiscal year-to-date, one-, three-, and five- year periods but outperformed in the one month, quarter, and ten-year periods. Ten-year net returns were 3.90% versus 3.79% for the custom benchmark.



CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending May 31, 2008

CIO SUMMARY REPORT - GROSS

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	31.2	77,443,641	2.12	6.02	-5.03	-6.31	8.17	10.55	4.93
<i>WILSHIRE 2500 EX TOBACCO (BLENDED)</i>			2.08	6.41	-4.17	-5.52	8.35	10.65	4.57
TOTAL INTL EQUITY	22.4	55,607,313	1.63	5.72	0.23	1.11	19.17	21.37	8.47
<i>CALPERS FTSE ALL-WORLD EX US</i>			1.60	5.70	2.01	2.68	20.06	21.86	8.39
TOTAL GLOBAL EQUITY	53.4	132,516,938	1.96	5.92	-3.05	-3.62	12.02	14.27	6.21
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			1.92	6.18	-2.06	-2.76	12.21	14.31	5.92
TOTAL DOMESTIC FIXED INCOME	22.3	55,198,056	-0.99	-1.23	6.68	5.98	4.50	4.90	6.56
<i>CALPERS CUSTOM LEH LPF (DAILY)</i>			-1.08	-1.03	7.65	6.83	3.90	4.04	6.26
TOTAL INTL FIXED INCOME	2.2	5,435,900	-1.34	-1.07	17.45	16.69	5.84	6.67	6.15
<i>CALPERS WORLD GOVT X US</i>			-1.53	-1.60	17.19	16.36	5.98	6.53	6.57
TOTAL GLOBAL FIXED INCOME	24.4	60,636,748	-1.02	-1.17	7.89	7.18	4.65	5.17	6.54
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			-1.12	-1.07	8.59	7.77	4.11	4.32	6.27
TOTAL AIM COMPOSITE	9.9	24,641,923	0.07	1.56	20.20	20.07	20.89	19.56	12.20
<i>CUSTOM YOUNG FUND</i>			1.45	4.50	17.63	19.44	18.78	15.94	5.71
TOTAL REAL ESTATE	8.9	22,082,233	-0.28	3.17	7.91	9.21	25.91	23.85	17.70
<i>NCREIF PROPERTY 1 QTR LAG (DAILY)</i>			0.00	3.21	11.79	15.84	17.48	15.13	12.91
TOTAL INFLATION LINKED	1.6	4,036,622	2.74	10.56					
<i>CPI + 400 BPS</i>			0.92	3.03					
TOTAL CASH EQUIVALENTS	1.4	3,557,606	0.93	4.58	-1.66	-2.46	4.14	3.12	3.90
<i>PERS CUSTOM STIF NET OF FEES</i>			0.22	0.70	3.96	4.41	4.62	3.33	3.79
TOTAL FUND	100.0	248,053,514	0.84	3.44	2.16	1.71	11.52	12.66	7.57
<i>CALPERS POLICY INDEX</i>			0.93	3.82	2.78	2.26	10.69	11.68	6.81
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			0.88	3.51	1.52	1.15	10.51	11.67	6.87

Equity (SH4KA1, SHAKA1, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJVKE1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1)

Inflation Linked (SX2CA1); Cash Equivalents (SJEKA1); Total Fund (SJ1CA1)

Currency Overlay is not included in Global Equity. CPI return is estimated.

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending May 31, 2008

CIO SUMMARY REPORT - NET

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	31.2	77,443,641	2.12	6.01	-5.08	-6.38	8.11	10.50	4.90
<i>WILSHIRE 2500 EX TOBACCO (BLENDED)</i>			2.08	6.41	-4.17	-5.52	8.35	10.65	4.57
TOTAL INTL EQUITY	22.4	55,607,313	1.63	5.70	0.13	1.00	19.08	21.27	8.41
<i>CALPERS FTSE ALL-WORLD EX US</i>			1.60	5.70	2.01	2.68	20.06	21.86	8.39
TOTAL GLOBAL EQUITY	53.4	132,516,938	1.96	5.91	-3.12	-3.70	11.96	14.21	6.16
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			1.92	6.18	-2.06	-2.76	12.21	14.31	5.92
TOTAL DOMESTIC FIXED INCOME	22.3	55,198,056	-0.99	-1.23	6.68	5.98	4.50	4.89	6.55
<i>CALPERS CUSTOM LEH LPF (DAILY)</i>			-1.08	-1.03	7.65	6.83	3.90	4.04	6.26
TOTAL INTL FIXED INCOME	2.2	5,435,900	-1.34	-1.09	17.39	16.63	5.77	6.60	6.07
<i>CALPERS WORLD GOVT X US</i>			-1.53	-1.60	17.19	16.36	5.98	6.53	6.57
TOTAL GLOBAL FIXED INCOME	24.4	60,636,748	-1.02	-1.17	7.88	7.18	4.64	5.15	6.53
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			-1.12	-1.07	8.59	7.77	4.11	4.32	6.27
TOTAL AIM COMPOSITE	9.9	24,641,923	0.07	1.56	20.19	20.06	20.87	19.55	12.18
<i>CUSTOM YOUNG FUND</i>			1.45	4.50	17.63	19.44	18.78	15.94	5.71
TOTAL REAL ESTATE	8.9	22,082,233	-0.28	2.64	6.03	6.91	20.83	19.64	15.09
<i>NCREIF PROPERTY 1 QTR LAG (DAILY)</i>			0.00	3.21	11.79	15.84	17.48	15.13	12.91
TOTAL INFLATION LINKED	1.6	4,036,622	2.74	10.53					
<i>CPI + 400 BPS</i>			0.92	3.03					
TOTAL CASH EQUIVALENTS	1.4	3,557,606	0.93	4.58	-1.66	-2.46	4.14	3.12	3.90
<i>PERS CUSTOM STIF NET OF FEES</i>			0.22	0.70	3.96	4.41	4.62	3.33	3.79
TOTAL FUND	100.0	248,053,514	0.84	3.39	1.97	1.48	11.16	12.37	7.38
<i>CALPERS POLICY INDEX</i>			0.93	3.82	2.78	2.26	10.69	11.68	6.81
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			0.88	3.51	1.52	1.15	10.51	11.67	6.87

Equity (SH4KA1, SHAKA1, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJVKE1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1)

Inflation Linked (SX2CA1); Cash Equivalents (SJEKA1); Total Fund (SJ1CA1)

Currency Overlay is not included in Global Equity. CPI return is estimated.

Quarterly and Semi-Annual Reports

Closed Session Transactions

- There were zero (0) closed session transactions reported to the Board in Open Session per the requirements of California Government Code Section 20191.5 and the current CalPERS Board of Administration Statement of Policy & Procedures for Closed Sessions.

Activity Reports

- Staff prepares activity reports for the AIM, Real Estate, Risk Managed Absolute Return Strategies, Corporate Governance and Inflation Linked Asset Class Programs. Detailed reports and investment summaries for these programs are included in the supplemental reporting document.

AIM Activity Report

Activity	Month	2005	2006	2007	2008 YTD	Since Inception
Investment Proposals Entered	21	316	300	443	150	7,221
Declined/Referred/Failed to Materialize	47	429	268	389	159	5,902
Deals in Screening	16	319	300	443	150	4,254
Due Diligence Reviews	14	59	61	76	15	763

Real Estate Investments Activity Report

Activity	Month	2005	2006	2007	2008 YTD	Since Inception *
Investment Proposals Entered	30	N/A	N/A	N/A	97	97
Declined/Referred/Failed to Materialize	30	N/A	N/A	N/A	82	82
Deals in Screening	11	N/A	N/A	N/A	12	12
Due Diligence Reviews	3	N/A	N/A	N/A	3	3
* As of January 2, 2008						

Risk Managed Absolute Return Strategies Program Activity Report

Activity	Month	2005	2006	2007	2008	Since Inception
Investment Proposals Entered	9	59	69	90	48	764
Declined/Referred/Failed to Materialize	0	7	1	0	0	243
Deals in Screening	9	58	68	90	48	509
Due Diligence Reviews	9	58	68	90	48	509
Allocations Approved by RMARS Board	8	18	52	66	18	193
New ARS Funds Approved by the RMARS Board	0	7	9	7	1	42
Funded Investments (\$ Millions)	\$219	\$783	\$1,809	\$2,499	\$634	\$6,454

Corporate Governance Activity Report

Activity	Month	2005	2006	2007	2008 YTD*	Since Inception *
Investment Proposals Entered	1	N/A	N/A	N/A	4	4
Declined/Referred/Failed to Materialize	2	N/A	N/A	N/A	5	3
Deals in Screening	0	N/A	N/A	N/A	9	9
Due Diligence Reviews	11	N/A	N/A	N/A	11	11
* As of April 1, 2008						

Quarterly and Semi-Annual Reports

Activity Reports (cont.)

Inflation Linked Assets Activity Report

Activity	Month	2005	2006	2007	2008 YTD	Since Inception
Investment Proposals Entered	12	N/A	N/A	N/A	48	48
Declined/Referred/Failed to Materialize	3	N/A	N/A	N/A	7	7
Deals in Screening	2	N/A	N/A	N/A	7	7
Due Diligence Reviews	0	N/A	N/A	N/A	2	2

Investment Transactions

Investment Transactions are reported to the Investment Committee for review under the requirements of California Government Code Section 20191. Information is provided in summary format in this consolidated document. Full reporting is available in the supplemental reporting document.

Portfolio Summary and Transactions Report:

- Purchases – Internal Management (Page 15)
- Sales – Internal Management (Page 16)
- Currency Hedge Portfolio Summary (Page 17)
- Currency Hedge Portfolio Transactions (Page 17)

Investment Transaction Information: (full reporting is available in the supplemental reporting document)

- Domestic Fixed Income Transactions
- International Fixed Income Transactions
- Domestic Equity Transactions
- International Equity Transactions
- AIM Program Transactions
 - Summary Listing of Capital Calls and Aggregate Distributions
- AIM Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - Aberdare Ventures IV LP, \$50 million commitment
 - Apollo European Principal Finance Fund LP, \$75 million commitment
 - Ares Corporate Opportunities Fund III LP, \$400 million commitment
 - Asia Alternatives Capital partners II LP, \$200 million commitment
- Real Estate Equity Transactions
 - Dispositions Summaries
 - Bridge (BUILD) – Alta Riverfront, CalPERS equity share \$44,555,506.00
 - Acquisitions Summaries
 - First Washington Realty, Inc. – Various, CalPERS equity share \$73,798,265.00
 - Bridge (BUILD) – Lewis Road, CalPERS equity share \$3,889,000.00
- Real Estate Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - No Items to Report
- Risk Managed Absolute Return Strategies Program Transactions
 - Summary Listing of Investments and Redemptions
- Risk Managed Absolute Return Strategies Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - No Items to Report
- Inflation Linked Assets Transactions
 - Summary Listing of Investments and Redemptions
- Inflation Linked Assets Items Completed Under Delegation of Authority
 - Investment Summaries
 - No Items to Report

Investment Transactions

Investment Transaction Information (continued): [\(full reporting is available in the supplemental reporting document\)](#)

- Corporate Governance Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - No Items to Report
- High Yield Performance
- Corporate Actions
- Internally Managed Derivative Transactions Summary
 - Investment Summaries
 - Futures purchases: \$7,928.0 million notional
 - Futures sales: \$1,881.6 million notional

Portfolio Summary and Transactions

INVESTMENT TRANSACTIONS SUMMARY

(\$ Millions)

April 2008

PURCHASES

	<u>COST</u>	<u>%OF LONG TERM PURCHASES</u>
<u>EQUITIES:</u>		
Domestic	\$3,268.0	29.31%
International	<u>\$2,056.7</u>	<u>18.45%</u>
Total	\$5,324.7	47.76%
<u>FIXED INCOME:</u>		
Domestic	\$4,591.0	41.18%
International	<u>\$1,536.20</u>	<u>13.78%</u>
Total	\$6,127.2	54.96%
<u>ALTERNATIVE INVESTMENTS:</u>		
Partnership Component	\$1,503.7	13.49%
<u>INFLATION LINKED ASSETS:</u>		
Inflation Linked	-250.0	2.24%
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TOTAL PURCHASES:	\$10,898.9	100%

Portfolio Summary and Transactions

INVESTMENT TRANSACTIONS SUMMARY

(\$ Millions)

April 2008

SALES

	<u>COST</u>	<u>PROCEEDS</u>	<u>GAIN/ LOSS</u>
<u>EQUITIES:</u>			
Domestic	\$4,900.0	\$5,056.0	\$156.0
International	<u>\$1,713.8</u>	<u>\$1,785.0</u>	<u>\$71.2</u>
Total	\$6,613.8	\$6,841.0	\$227.2
<u>FIXED INCOME:</u>			
Domestic	\$5,962.6	\$5,959.5	-\$3.1
International	<u>\$1,346.80</u>	<u>\$1,377.00</u>	<u>\$30.20</u>
Total	\$7,309.4	\$7,336.5	\$27.1
<u>ALTERNATIVE INVESTMENTS:</u>			
Partnership Component	\$207.4	\$207.4	0.0
<u>INFLATION LINKED ASSETS:</u>			
Inflation Linked	-\$250.0	-\$250.0	0.0
	<hr/>	<hr/>	<hr/>

Portfolio Summary and Transactions

CURRENCY HEDGE PORTFOLIO SUMMARY

(\$ Millions)

April 2008

<u>PENDING FX CONTRACTS</u>	<u>COST</u>	<u>MARKET VALUE</u>
Total FX Purchased	\$10,051.9	\$10,160.3
Total FX Sold	\$14,694.9	\$14,860.8

CURRENCY OPTIONS

Currency Puts	(\$102,251,505.8)	(\$102,251,505.8)
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"For FX purchased, a market value higher than book value means the contracts have an unrealized gain as of the valuation date. For FX sold, a market value lower than book value means the contracts have an unrealized gain as of the valuation date."

CURRENCY HEDGE TRANSACTION SUMMARY

(\$ Millions)

April 2008

<u>PURCHASES</u>	<u>COST</u>
Pending FX Contracts	\$2,913.4

<u>SALES</u>	<u>PROCEEDS</u>
Pending FX Contracts	\$2,976.4

Affiliate Funds Reports

Staff has compiled the following Affiliate Funds Allocation Reports for the period ending May 31, 2008.

Annuitants' Health Care Fund:

<u>Asset Class</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	23,105,663.18	5.53%	\$23,105,663.18	5.44%
DOMESTIC EQUITY	177,806,108.65	42.53%	\$180,918,741.39	42.56%
FIXED INCOME	104,499,524.90	24.99%	\$104,643,504.78	24.62%
INTERNATIONAL EQUITY	112,709,575.07	26.96%	\$116,389,965.28	27.38%
TOTAL	<u>\$418,120,871.80</u>		<u>\$425,057,874.63</u>	

CalPERS Health Care Bond Fund:

<u>Asset Class</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
FIXED INCOME	\$ 356,739,512.70	100.00%	\$376,224,564.24	100.00%
TOTAL	<u>\$ 356,739,512.70</u>		<u>\$376,224,564.24</u>	

Judges' Retirement Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$2,681,593.97	100.00%	\$2,681,593.97	100.00%
TOTAL	<u>\$2,681,593.97</u>		<u>\$2,681,593.97</u>	

Affiliate Funds Reports

Judges II Retirement Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$2,016,443.81	0.69%	\$2,016,443.81	0.62%
DOMESTIC EQUITY	\$124,438,220.71	42.32%	\$141,813,614.37	43.42%
FIXED INCOME	\$112,522,429.56	38.27%	\$118,097,050.59	36.15%
INTERNATIONAL EQUITY	\$55,068,145.08	18.73%	\$64,714,003.99	19.81%
TIPS	\$0.00	0.00%	\$0.00	0.00%
TOTAL	<u>\$294,045,239.16</u>		<u>\$326,641,112.76</u>	

Legislators' Retirement Fund:

<u>Asset Class</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$6,222.90	0.00%	\$6,222.90	0.00%
DOMESTIC EQUITY	\$35,664,747.14	28.55%	\$41,863,983.65	30.03%
FIXED INCOME	\$70,008,649.88	56.05%	\$74,881,653.07	53.72%
INTERNATIONAL EQUITY	\$11,672,990.95	9.34%	\$14,034,100.19	10.07%
TIPS	\$7,559,769.64	6.05%	\$8,599,466.36	6.17%
TOTAL	<u>\$124,912,380.51</u>		<u>\$139,385,426.17</u>	

Long Term Care Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$60,344.84	0.00%	\$60,344.84	0.00%
DOMESTIC EQUITY	\$701,897,406.80	32.91%	\$816,103,152.68	33.80%
FIXED INCOME	\$940,897,743.09	44.11%	\$1,017,649,575.73	42.15%
INTERNATIONAL EQUITY	\$387,677,921.19	18.18%	\$464,255,092.73	19.23%
TIPS	\$102,328,123.82	4.80%	\$116,175,490.68	4.81%
TOTAL	<u>\$2,132,861,539.74</u>		<u>\$2,414,243,656.66</u>	

Affiliate Funds Reports

Public Employees' Medical & Hospital Care Act Contingency Reserve Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$5,982,252.24	100.00%	\$5,982,252.24	100.00%
TOTAL	<u>\$5,982,252.24</u>		<u>\$5,982,252.24</u>	

Supplemental Contribution Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	448,650.71	2.50%	\$448,650.71	2.15%
DOMESTIC EQUITY	8,822,375.13	49.26%	\$10,705,905.89	51.28%
FIXED INCOME	5,300,421.49	29.59%	\$5,674,649.77	27.18%
INTERNATIONAL EQUITY	3,339,624.14	18.65%	\$4,047,641.95	19.39%
TIPS	0.00	0.00%	\$0.00	0.00%
TOTAL	<u>\$17,911,071.47</u>		<u>\$20,876,848.32</u>	